

MARKET ANALYSIS - February 12, 2004

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This week it was all about the USDA supply and demand report and the bird flu issue in Delaware. Before the report was released on Tuesday of this week the bird flu issue was at the forefront of traders minds. However, it became a massive issue here locally this morning (Thursday) when Maryland officials banned the sale of live poultry, and Senator Mikulski called for a federal task force to help contain an outbreak of avian flu in Delaware that threatens this region's \$1.5 billion poultry. This has enormous implications for feed grains in the state and our regions industry could see some very dangerous implications demand (price) wise. Poultry accounted for 31 percent of Maryland's agriculture industry in 2002, and 60 percent of our state's cropland is dedicated to grains for poultry feed (according to recent figures available). A lack of birds simply means a lack of demand for feed grains – hence our basis could be strongly affected here on out. (The numbers below do not reflect this news). This is particularly damaging as it seems that whilst the existence of bird flu and rumors of yet more cases and bans have kept the markets fairly low some futures analysts expect the domestic flu outbreak to have little longer term impacts on feed demand meaning futures won't drop as local cash might. In futures news – corn printed new highs on Tuesday following a bullish report but these were offset by the bird worries. The domestic ending stocks number was pegged at 901 million bushels, which is a reduction of 80 million from January. The export and feed estimates were raised by 25 million bushels and industrial usage went up by 30 million (helped by increased ethanol use). USDA reported that weekly corn export sales at 1,180 thousand metric tons for the week ending Feb 5th (46.5 million bushels), well above trade estimates that had ranged from 700-900,000 tons. Soybeans were generally weaker due to the report and a higher production number brought the global ending stocks up by over a million tons up to 37.47 million metric tons. Perhaps more importantly for the bean market the traders were happy that Chinese officials said they would begin accepting GMO soybean applications this month for April delivery. The oil has been the driver in the bean complex this week due to shortages of edible oilseeds worldwide, and fears that supplies will dwindle more if soybean crushing is stopped due to bird flu related soybean meal demand losses.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Mar04)	NEW(Dec04)	CASH(Mar04)	NEW(Nov04)	CASH(Mar04)	NEW(Jul04)
Western MD	+19	N/A	-64	N/A	-54	N/A
Central MD	+16	+6	-42	-35	-10	-17
Southern MD	+20	Even	-20	-25	N/A	-30
Upper E. S	+28	+5	-18	-25	N/A	-26
Lower E. S	+35	+12	-6	-16	N/A	-28

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

The Weekly Crop Weather Summary will resume in April 2004

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	02/04	02/11	02/04	02/11	02/04	02/11	02/04	02/11
Western Md	3.00	3.03	7.53	7.74	3.33	3.35	2.63	2.58
Central MD	2.93	3.00	7.80	7.96	----	3.79	2.55	2.55
Southern MD	2.90	3.04	7.86	8.18	----	----	1.50	----
Upper E. Shore	2.98	3.12	7.91	8.20	----	----	1.60	----
Lower E. Shore	3.05	3.19	8.00	8.32	----	----	1.59	----
Soybean Meal Lower Eastern Shore Dealer's Average Cash Quotes (\$/ton)								
Date	02/04		02/11		Date		02/04	
48% Soybean Meal	275.00		276.00		44% Soybean Meal		263.00	
FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	02/04	02/11	02/04	02/11	02/04	02/11	02/04	02/11
Western Md	----	----	----	----	----	----		
Central MD	2.80	2.90	5.96	6.21	3.57	3.68	----	----
Southern MD	2.70	2.84	6.12	6.30	3.47	3.55	1.45	1.45
Upper E Shore	2.75	2.89	6.12	6.30	3.52	3.59	1.55	1.55
Lower E Shore	2.82	2.96	6.71	6.39	3.49	3.57	1.55	1.57
GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Feb 11, 2004								
Corn		Soybeans			Wheat		Soybean Meal ¹	
Mar	284.25	Mar	838.00		Mar	388.50	Mar	248.00
May	290.75	May	838.50		May	394.50	May	248.00
Jul	293.00	Jul	821.00		Jul	385.00	Jul	243.20
Sep	287.00	Aug	787.00		Sep	388.00	Aug	233.30
Dec	283.75	Sep	729.00		Dec	395.25	Sep	221.30
Mr05	286.75	Nov	654.75				Oct	192.50

¹ \$/ton

HAY AND STRAW (\$/cwt)							
New Holland, PA - \$/ton - Feb 09, 2004 -151 Loads							
Alfalfa		Mixed		Timothy		Orchardgrass	
90.00-180.00		30.00-250.00		67.00-200.00		42.00-195.00	
95.00-195.00							
Westminster, MD - \$/bale - Feb 10, 2004 - 283 Lots							
Alfalfa		Alfalfa Mixed		Timothy		Timothy Mixed	
1.10-4.60		1.40-3.60		1.30-4.50		1.50-4.20	
1.45-4.20							
Southern, MD - Regional Farmers' Market - \$/bale - February 07, 2004							
Product		Low		High		Avg Price	
Lespedeza		3.00		4.50		4.05	
Orchard Grass		3.10		5.25		4.10	
Orchard Grass Mixed		2.00		2.00		2.00	
Mixed Grass		1.75		4.80		3.26	
POULTRY (Grade A) - Week Ending Feb 14, 2004 - Negotiated Price, (\$/cwt)							
		Current Week		Week Ago		Month Ago	
NY Wtd Avg. (Fryers)		76.67		77.17		64.04	
12-City Composite		75.41		74.90		65.75	
60.49							
LAMBS - Westminster, MD - \$/cwt - Feb 09, 2004							
Ch		80-90 lbs		127.00-130.00		Sheep	
Feeders		30-60 lbs		95.00-115.00		Over 200 lbs	
55.00-77.00							
42.00-49.00							
TERMINAL MARKETS HOGS - Feb 12, 2004				DIRECT MARKET HOGS - Westminster, MD- Feb 10, 2004			
Base Price Range		Carcass Basis		Sows (1-3)		1&2	
a.m.		Base 185 lb Hog		300-449 lbs		230-290 lbs	
						47.00-48.00	
Eastern Cornbelt		55.00-62.86		29.50-40.89		400-600 lbs	
Iowa, Minn		54.50-64.50		29.50-40.03		31.25-35.00	
Millsboro, DE Market Hogs - (\$/cwt) -						Next Sale 2/17/04	
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE -				New Holland, PA - (Week-ending Feb 13, 2004)			
Head:		Trend:		Head:		Trend:	
		Next Sale 2/17/04				100% slaughter	
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 11, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 11, 2004			
Feb		75.10		Aug		72.67	
Apr		72.85		Oct		75.52	
Jun		70.15		Dec		77.42	
Feb		63.37		Jun		64.80	
Apr		60.17		Jul		61.35	
May		60.72		Aug		58.25	
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Feb 09, 2004				Westminster, MD - Feb 10, 2004			
Steers		400-500 lbs		100.00-106.75		Steers	
		500-600 lbs		87.00- 96.00		300-500 lbs	
		600-700 lbs		85.50- 90.25		500-700 lbs	
Heifers		300-400 lbs		104.75-112.00		300-500 lbs	
		400-600 lbs		94.50-103.50		500-700 lbs	
		500-600 lbs		86.00- 95.00		700-800 lbs	
						73.00- 79.00	
						Bulls returning to farm	
						#1	
						95-120 lbs	
						155.00-175.00	
						86- 94 lbs	
						122.00-150.00	
						#2	
						95-120 lbs	
						120.00-155.00	
						Younger Bulls	
						78- 94 lbs	
						77.00-120.00	
						Heifers #1	
						95-110 lbs	
						375.00-390.00	
						80- 90 lbs	
						225.00-285.00	
Lancaster, New Holland & Vintage - Week Ending - Feb 07, 2004							
Bull, Holstein		90-120 lbs		152.00-175.00		Plainer	
Heifers, Hols		90-120 lbs		300.00-400.00		Plainer	
90-120 lbs							
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Feb 10, 2004							
Fed Steers				Fed Heifers			
Hi-Ch-Pr		1200-1400 lbs		80.00-82.50		Hi-Ch-Pr	
H-Ch 2-4		1100-1500 lbs		76.00-79.50		1200-1400 lbs	
L-Ch 2-3				74.00-77.00		1050-1200 lbs	
L-Ch Hols		1100-1450 lbs		65.00-68.00		73.00-77.00	
Cows						L-Ch	
Breakers				43.00-48.00		Calves	
Boners				40.00-48.00		Good Slaughter	
Lean				36.00-41.50		80- 120 lbs	
Thin & Light				35.00-DOWN		65.00-75.00	
Lancaster, New Holland & Vintage - Week Ending - Feb 14, 2004							
Steers, Choice, 2-3				1115-1475 lbs		77.00-81.25	
Heifers, Choice				1075-1415 lbs		76.50-80.50	
Cows, Breakers 75-80 pct lean						50.00-54.50	
Bulls, YG 1				1280-1875 lbs		57.50-63.75	
Calves, Good & Choice				60- 110 lbs		30.00-62.00	
						\$1 Higher	
						No trend	
						\$3 - \$5 Higher	
						Higher undertone	
						Mostly steady	

For more information about this report, call 410-841-5740 or write:

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